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SENATE BILL 1595 By
Carter

HOUSE BILL 1268
By Wood

AN ACT to amend Tennessee Code Annotated, Title 62, Chapter 13, Part 3, relative to real estate brokers and agents.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 62, Chapter 13, Part 3, is amended by adding a new section thereto, as follows:

Section 62-13-323.

(a) The principal broker of a real estate firm that does not engage in activities that require the acceptance of earnest money that belongs to others may receive from the Tennessee real estate commission a waiver from the provisions of § 62-13-321.

(b) Upon receipt of a waiver by the Tennessee real estate commission pursuant to subsection (a), a principal broker may close the real estate firm's escrow account.

(c) The principal broker of a real estate firm authorized pursuant to this act to operate without an escrow account may accept an earnest money deposit subject to the following:

(1) The principal broker shall open an escrow account within one (1) business day of accepting such deposit, and deposit such funds into the newly opened escrow account on the same day; and

(2) The principal broker shall notify the Tennessee real estate commission within one (1) business day after opening a new escrow account and shall provide the following information:

(A) The name and address of the bank where the new escrow account was opened;

(B) The name of the new escrow account; and

(C) The account identification number of the new escrow account.

(d) A principal broker who opens an escrow account pursuant to subsection (c) shall acknowledge responsibility to operate under all the requirements of § 62-13-321.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.